

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1544-01  
Bill No.: HB 720  
Subject: Attorneys; State Attorney General  
Type: Original  
Date: March 24, 2011

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Bill Summary: This proposal establishes the Transparency in Private Attorney Contracts Act.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |          |          |          |
|---|----------|----------|----------|
| FUND AFFECTED   | FY 2012  | FY 2013  | FY 2014  |
|   |          |          |          |
|   |          |          |          |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b> | <b>0</b> | <b>0</b> |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED                              | FY 2012    | FY 2013    | FY 2014    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## FISCAL ANALYSIS

### ASSUMPTION

In response to a similar proposal from this year (SB 432), officials from the **Attorney General's Office** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

In response to a similar proposal from this year (SB 432), officials from the **Department of Conservation (MDC)** stated the proposal would negatively impact the department's discretion in engaging the services of outside counsel. MDC assumes an unknown fiscal impact to their agency.

Officials from the **Department of Natural Resources (DNR)** state the Office of the Missouri Attorney General directs all litigation to which the state, any agency or official is a party and represents the state's legal position at every level of trial and appellate court. It is impossible to know the number of situations where the Office of the Attorney General would advise the department to retain outside counsel; therefore, the fiscal impact to DNR is unknown.

Officials from the **Department of Social Services - Division of Legal Services (DOS)** state if DOS does not retain counsel on a contingency fee basis, then this statute will have no significant impact on their agency. If DOS decides to retain counsel on a contingency fee basis, at some point in the future this legislation would impact such a decision. One of the options that DOS has to collect delinquent accounts receivable is to retain private lawyers on a contract basis to do the collections. One way to pay private lawyers in collections cases is by a contingency fee. If enacted, this bill would set the baseline for drafting such a contingency fee contract. It would mean that DOS would/could not enter into a contingency fee contract without going through the attorney general. The bill would place "complete control" over the course and conduct of each case with the Attorney General's office. This will reduce the ability of DOS to independently administer a program for debt collection. DOS assumes the long term fiscal impact is speculative and therefore unknown.

Officials from the **Missouri Veterans' Commission** state the fiscal impact is unknown.

ASSUMPTION (continued)

Officials from the **Department of Transportation, Department of Mental Health, State Tax Commission, Office of Prosecution Services, Office of the State Treasurer, Department of Agriculture, Missouri Lottery Department of Corrections, Department of Higher Education, Department of Elementary and Secondary Education, Missouri Ethics Commission, Department of Economic Development, Office of Administration - Budget and Planning, Office of the State Courts Administrator, Missouri Gaming Commission, Office of the State Public Defender, Office of the Governor, Department of Revenue, Office of the Secretary of State and the Department of Public Safety (Highway Patrol, Capitol Police, Fire Safety, SEMA, and Alcohol and Tobacco Control)** each assume the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from this year (SB 432), officials from the **Department of Labor and Industrial Relations, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Auditor, and the Department of Health and Senior Services** each assumed the proposal would not fiscally impact their respective agencies.

**Oversight** assumes the proposal will not create a fiscal impact to the state. Oversight assumes agencies that need or desire to hire private attorneys on a contingency fee basis would still be able to, with help and direction from the State Attorney General's Office.

| <u>FISCAL IMPACT - State Government</u> | FY 2012<br>(10 Mo.) | FY 2013    | FY 2014    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2012<br>(10 Mo.) | FY 2013    | FY 2014    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of the Attorney General  
Department of Social Services  
Department of Transportation  
Department of Natural Resources  
Department of Labor and Industrial Relations  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Office of Prosecution Services  
State Tax Commission  
Department of Conservation  
Department of Corrections  
Office of the State Treasurer  
Department of Agriculture  
Department of Higher Education  
Missouri Lottery  
Department of Elementary and Secondary Education  
Department of Public Safety  
Department of Economic Development  
Office of Administration - Budget and Planning  
Office of the State Courts Administrator  
Missouri Gaming Commission  
Office of the State Auditor  
Missouri Ethics Commission  
Office of the State Public Defender  
Office of the Secretary of State

SOURCES OF INFORMATION (continued)

Office of the Governor  
Department of Health and Senior Services  
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 24, 2011